



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #516

### Terminal Tax Distribution (Miscellaneous Appropriations)

[LFB 2003-05 Budget Summary: Page 306, #10]

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#### CURRENT LAW

Taxes paid by any railroad company derived from, or apportionable to, repair facilities, docks, ore yards, piers, wharves, grain elevators, and other terminal facilities are distributed annually from the transportation fund to the towns, villages, and cities in which these facilities are located. The amounts are calculated and certified by the Department of Revenue, on or before August 15 of each year. Terminal tax payments were \$1,205,900 in 2002-03, although the base funding level reflected in the Chapter 20 appropriations schedule is \$1,283,300 SEG.

#### GOVERNOR

Decrease payments from the transportation fund by \$32,200 SEG in 2003-04 and increase payments by \$26,600 SEG in 2004-05 to reflect a reestimate of terminal tax payments at \$1,251,100 SEG in 2003-04 and \$1,309,900 SEG in 2004-05.

#### MODIFICATION

Decrease funding by \$5,000 SEG in 2003-04 and increase funding by \$21,200 SEG in 2004-05 to reflect a reestimate of terminal tax payments at \$1,246,100 SEG in 2003-04 and \$1,331,100 SEG in 2004-05.

**Explanation:** Terminal tax payments are calculated by multiplying the value of terminal storage property held by railroads by the statewide average, effective tax rate. Based on trends in the growth of the value of railroad property and the proportion of ad valorem tax collections paid on terminal facilities, the terminal tax payments are reestimated at the above levels.

<u>Modification</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$16,200

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